

PATENT COOPERATION TREATY

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INTERNATIONAL PRELIMINARY REPORT ON PATENTABILITY

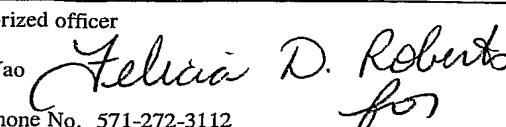
(Chapter II of the Patent Cooperation Treaty)

(PCT Article 36 and Rule 70)

| | | | |
|---|---|---|-----------------------|
| Applicant's or agent's file reference 689290.233 | FOR FURTHER ACTION | | See Form PCT/IPEA/416 |
| International application No. PCT/US04/42406 | International filing date (day/month/year) 16 December 2004 (16.12.2004) | Priority date (day/month/year) 22 December 2003 (22.12.2003) | |
| International Patent Classification (IPC) or national classification and IPC IPC: C12Q 1/00 (2006.01);C07K 1/00 16/00 USPC: 435/4;530/350,387.1 | | | |
| Applicant AVALON PHARMACEUTICALS, INC. | | | |

1. This report is the international preliminary examination report, established by this International Preliminary Examining Authority under Article 35 and transmitted to the applicant according to Article 36.
2. This REPORT consists of a total of 4 sheets, including this cover sheet.
3. This report is also accompanied by ANNEXES, comprising:
 - a. (*sent to the applicant and to the International Bureau*) a total of ___ sheets, as follows:
 - sheets of the description, claims and/or drawings which have been amended and are the basis of this report and/or sheets containing rectifications authorized by this Authority (see Rule 70.16 and Section 607 of the Administrative Instructions).
 - sheets which supersede earlier sheets, but which this Authority considers contain an amendment that goes beyond the disclosure in the international application as filed, as indicated in item 4 of Box No. I and the Supplemental Box.
 - b. (*sent to the International Bureau only*) a total of (indicate type and number of electronic carrier(s)) ___ , containing a sequence listing and/or tables related thereto; in electronic form only, as indicated in the Supplemental Box Relating to Sequence Listing (see Section 802 of the Administrative Instructions).
4. This report contains indications relating to the following items:

| | | |
|-------------------------------------|--------------|---|
| <input checked="" type="checkbox"/> | Box No. I | Basis of the report |
| <input type="checkbox"/> | Box No. II | Priority |
| <input type="checkbox"/> | Box No. III | Non-establishment of opinion with regard to novelty, inventive step and industrial applicability |
| <input type="checkbox"/> | Box No. IV | Lack of unity of invention |
| <input checked="" type="checkbox"/> | Box No. V | Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement |
| <input type="checkbox"/> | Box No. VI | Certain documents cited |
| <input type="checkbox"/> | Box No. VII | Certain defects in the international application |
| <input type="checkbox"/> | Box No. VIII | Certain observations on the international application |

| | |
|--|--|
| Date of submission of the demand 19 July 2005 (19.07.2005) | Date of completion of this report 17 January 2007 (17.01.2007) |
| Name and mailing address of the IPEA/ US Mail Stop PCT, Attn: IPEA/US Commissioner for Patents P.O. Box 1450 Alexandria, Virginia 22313-1450 Facsimile No. (571) 273-3201 | Authorized officer Lei Yao  Telephone No. 571-272-3112 |

INTERNATIONAL PRELIMINARY REPORT ON PATENTABILITY

International application No.

PCT/US04/42406

Box No. I Basis of the report

1. With regard to the language, this report is based on:
 - the international application in the language in which it was filed.
 - a translation of the international application into English, which is the language of a translation furnished for the purposes of:
 - international search (under Rules 12.3 and 23.1(b))
 - publication of the international application (under Rule 12.4(a))
 - international preliminary examination (under Rules 55.2(a) and/or 55.3(a))
2. With regard to the elements of the international application, this report is based on (*replacement sheets which have been furnished to the receiving Office in response to an invitation under Article 14 are referred to in this report as "originally filed" and are not annexed to this report*):
 - the international application as originally filed/furnished
 - the description:
pages 1-42 as originally filed/furnished
pages* NONE received by this Authority on _____
pages* NONE received by this Authority on _____
 - the claims:
pages 43-47 as originally filed/furnished
pages* NONE as amended (together with any statement) under Article 19
pages* NONE received by this Authority on _____
pages* NONE received by this Authority on _____
 - the drawings:
pages NONE as originally filed/furnished
pages* NONE received by this Authority on _____
pages* NONE received by this Authority on _____
 - a sequence listing and/or any related table(s) - see Supplemental Box Relating to Sequence Listing.
3. The amendments have resulted in the cancellation of:
 - the description, pages _____
 - the claims, Nos _____
 - the drawings, sheets/figs _____
 - the sequence listing (*specify*): _____
 - any table(s) related to the sequence listing (*specify*): _____

4. This report has been established as if (some of) the amendments annexed to this report and listed below had not been made, since they have been considered to go beyond the disclosure as filed, as indicated in the Supplemental Box (Rule 70.2(c)).
 - the description, pages _____
 - the claims, Nos _____
 - the drawings, sheets/figs _____
 - the sequence listing (*specify*): _____
 - any table(s) related to the sequence listing (*specify*): _____

* If item 4 applies, some or all of those sheets may be marked "superseded."

INTERNATIONAL PRELIMINARY REPORT ON PATENTABILITY

International application No.
PCT/US04/42406**Box No. V Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement****1. Statement**

| | | |
|-------------------------------|--------------------|-----|
| Novelty (N) | Claims <u>1-35</u> | YES |
| | Claims <u>NONE</u> | NO |
| Inventive Step (IS) | Claims <u>1-35</u> | YES |
| | Claims <u>none</u> | NO |
| Industrial Applicability (IA) | Claims <u>1-35</u> | YES |
| | Claims <u>NONE</u> | NO |

2. Citations and Explanations (Rule 70.7)

Claims 1-35 meet the criteria set out in PCT Article 33(2)-(3) because the prior art does not teach or fairly suggest the claimed invention.

Claims 1-35 meet the criteria set out in PCT Article 33(4) and thus have industrial applicability because the subject matter claimed can be made or used in industry.

INTERNATIONAL PRELIMINARY REPORT ON PATENTABILITY

International application No.

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Supplemental Box Relating to Sequence Listing**Continuation of Box No. I, item 2:**

1. With regard to any nucleotide and/or amino acid sequence disclosed in the international application and necessary to the claimed invention, this report was established on the basis of:

a. type of material

- a sequence listing
 table(s) related to the sequence listing

b. format of material

- on paper
 in electronic form

c. time of filing/furnishing

- contained in the international application as filed
 filed together with the international application in electronic form
 furnished subsequently to this Authority for the purposes of search and/or examination
 received by this Authority as an amendment* on _____

2. In addition, in the case that more than one version or copy of a sequence listing and/or table(s) relating thereto has been filed or furnished, the required statements that the information in the subsequent or additional copies is identical to that in the application as filed or does not go beyond the application as filed, as appropriate, were furnished.

3. Additional comments:

* If item 4 in Box No. I applies, the listing and/or table(s) related thereto, which form part of the basis of the report, may be marked "superseded."